THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) The Cabinet Committee on Economic Affairs (CCEA) had decided on 9.10.2007 to make 5% blending of ethanol with petrol mandatory with immediate effect across the country (except Jammu and Kashmir, North Eastern States and Island territories) and optional blending of 10% ethanol with petrol from October 2007 and thereafter mandatory blending from October, 2008.

Since implementation ethanol supplies have not been adequate to meet the demand of 5% blending. Further, Oil Marketing Companies (OMCs) are facing certain constraints with respect to free inter-State movement of ethanol and levy of duties on it by the State governments. Thus, even the 5% EBP Programme has not yet stabilized.

If blending is to be raised to 10% level across the country, it will have to be ensured that sufficient ethanol is available for the 10% EBP Programme in required quantities at all the notified locations. Further, issues relating to compatibility of 10% EBP with auto engine and simplification and uniformity of different procedures adopted by different States/UTs in relation to procurement of ethanol and State duties need to be resolved. For assessing the suitability of present in-use Auto Engines with 10% ethanol blended petrol, pilot projects have been undertaken at two locations at Aonla Depot in U.P. and Desur Depot in Karnataka from 15.12.2008 and 20.12.2008 respectively. The pilot study is likely to be completed by 30.6.2009.

Marker of kerosene

192. SHRI M.V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the kerosene marker being supplied by Authentix since 2006, after tests by OMCs at their labs, proved to be not a foolproof marker to detect kerosene mixed in petrol or diesel;

(b) if so, the details thereof;

(c) whether it is also a fact that his Ministry has recommended Authentix marker without carrying out any proper tests;

(d) if so, the reasons therefor;

(e) whether it is also a fact that his Ministry has called for tenders to select a new marker in place of Authentix marker; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) The marker system was implemented by doping of all Superior Kerosene Oil (SKO) from 16th October 2006 to 31st December 2008. During the period when the marker system was in vogue with legislation in place the marker system was more successful in detecting adulteration of Motor Spirit (MS)/High Speed Diesel (HSD) with SKO than the traditional method.

In the recent past, tests conducted by Oil Marketing Companies (OMCs) in their labs have shown that marker supplied by M/s Authentix laundered with certain chemicals in lab conditions.

(c) and (d) In order to select the marker system Indian Oil Corporation (IOC), Research and Development (R&D) Centre floated enquiries in 2004, to 7 parties to identify suitable marker systems. Out of these, 4 parties responded including M/s Authentix. The markers of the remaining companies were not considered by the oil industry as their markers were found to be deficient in some parameters. It was assessed by the oil industry thereafter that only the marker system of M/s Autihentix was found to meet all the requirements of Oil industry and the same was also evaluated at IOC's R&D centre.

(e) to (f) In order to facilitate indentifying more parties for supply of marker system, Research and Development wing of Indian Oil Corporation had issued a Global Expression of Interest (GEOI) in July 2008. Three parties offered their marker systems in response to the GEOI. These markers were tested and evaluated in the industry laboratories by OMCs. It was found out from the evaluation that none of three markers could meet 100% of the requirements of the industry. The OMCs are now working on the requirements to enable them to invite parties for finding a new efficient marker system, the formalities of which are likely to be completed by 31.03.2009

Supply of coal bed methane

193. SHRI PRASANTA CHATTERJEE:
SHRI MOHAMMED AMIN:
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Essar Exploration & Products Ltd. (EEPL) has assured guaranteed supply of coal bed methane to one Matric Group who has submitted a proposal to set up brown field ammonia-urea complex at now closed Durgapur Plant of M/s Hindustan Fertilizer Corporation Ltd. with coal bed methane as feedstock; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) No, Sir. The Essar Exploration & Products Ltd. (EEPL) has not submitted any proposal for supply of Coal Bed Methane to Matric Group.

Rural retail plan in UP

194. SHRI KAMAL AKHTAR:
SHRI NAND KISHORE YADAV:
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian Oil Corporation (IOC) proposes to develop rural retail in a big way by modernizing and expanding domestic oil market;

(b) if so, the details thereof; and

(c) the action plan of Government to develop this sector in Uttar Pradesh to improve the economy of this State?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) Indian Oil Corporation Limited has reported that IOC is developing its rural network as Kisan Seva Kendras (KSKs) in the domestic rural market. As on 1.02.2009, IOC has 2420 KSKs all over the country. KSKs are set up as fuel stations and IOC provides basic equipments such as Dispensing Units, Tanks, etc. so that the fuel needs of the rural customer is met.